



PROPOSED 2001-2003
OPERATING BUDGET

BUDGET HIGHLIGHTS

REPRESENTATIVES SEHLIN & SOMMERS
CO-CHAIRS HOUSE APPROPRIATIONS COMMITTEE
APRIL 25, 2001

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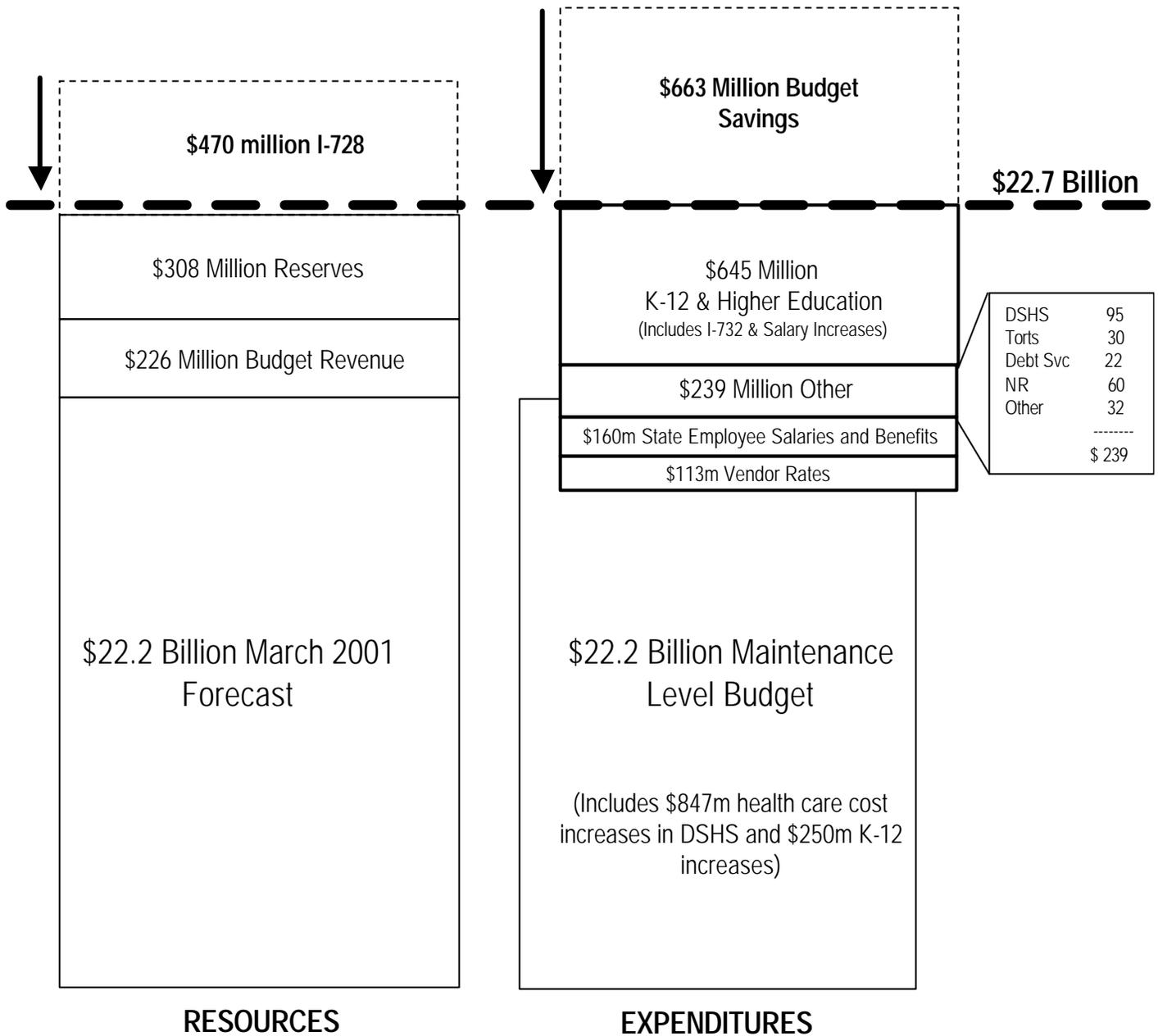
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BUDGET PRINCIPLES

- The proposed operating budget is a responsible spending plan that ensures critical services will be delivered for those who truly need government assistance both now and in the future. It respects the will of the voters, recognizes the slowing economy and strives to maintain the long-term fiscal responsibility necessary to protect against future cuts in services and/or tax increases.
- Along with the stricter budget climate comes the demand for more responsiveness to citizens. We believe that every dime of taxpayer money should be stretched to the limit. This plan funds innovative reforms to make government better, faster and cheaper. Also, we include measures boosting citizens' access to their government.
- Education is the paramount duty of the state and the foundation of our economy and community. In this budget, we continue our commitment to our schools by increasing per-pupil spending, improving safety and security, and adding the missing piece of our state's education reform: accountability.
- This spending plan continues to improve the access to, and quality of, higher education through expanded enrollments and increased financial aid. The budget makes substantial investment to increase academic and vocational opportunities, and produce a skilled workforce needed to maintain competitiveness in the new economy.
- The state has a duty to care for the most vulnerable among us: children, seniors and the disabled. The more than \$1 billion in health care costs put tremendous pressure on the human services budget. In this proposal, we have worked toward controlling the dramatic increase in health care costs, improving the way the health-care system works, and significantly enhancing foster care, child care, mental health and other human services.
- The budget responds to critical challenges in natural resources by providing funding for earthquake repairs, a drought relief plan, ongoing salmon recovery efforts and addressing the maintenance backlog and safety at state parks. It also provides for relief to our farmers and our rural communities that are facing economic hardships. It meets our goals to assist low-income families and protect jobs threatened by our growing energy crisis.

2001-03 Operating Budget

The 2001-03 state budget is balanced by a combination of program reductions, budget driven revenues and use of general fund reserves.



2001-03 Balance Sheet

Proposed House Chairs' Budget

General Fund-State

(Dollars in Millions)

2001-03

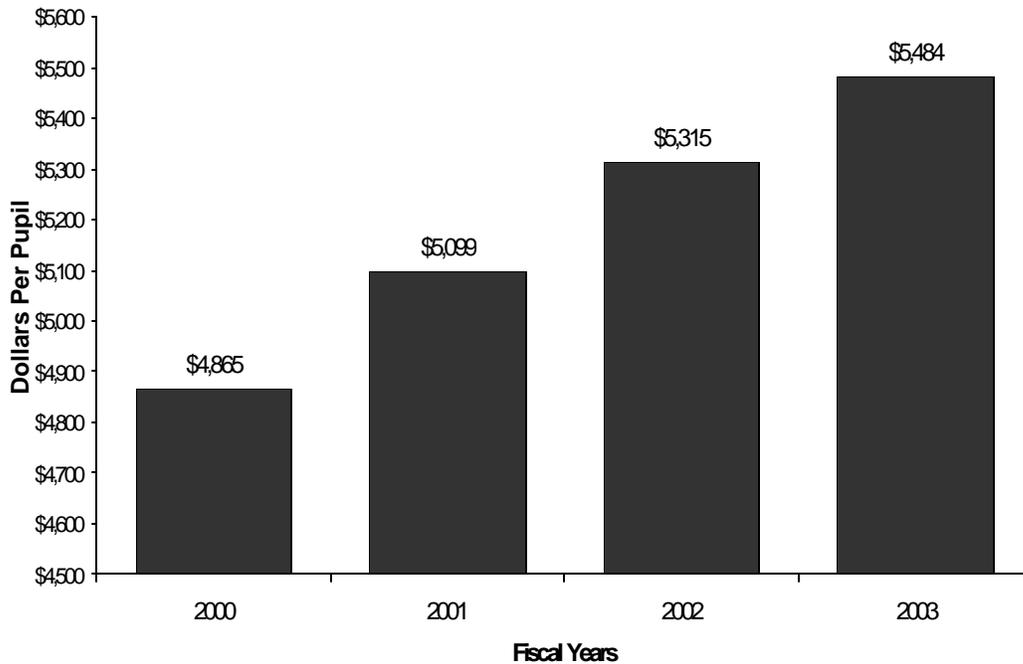
Resources	
Beginning Fund Balance	599.7
November Revenue Forecast	22,300.6
March 2001 Changes	(111.6)
Revenue Legislation	(16.3)
Budget Driven Revenues	107.8
Current Revenue Totals	22,280.5
Revenue Transfers	135.2
Total Resources (Revenue/Fund Balance)	23,015.4
Expenditures	
2001-03 Biennial Appropriation	22,722.7
I-601 Expenditure Limit	22,761.9
Amount under/(over) the I-601 Limit in 2001-03	39.2
General Fund Balance	
Total Ending Balance	292.7
Transfer to Emergency Reserve Fund	0.0
Unreserved General Fund Balance	292.7
Emergency Reserve Fund	
Beginning Balance	528.6
ERF Transfer to Transportation	(70.0)
Appropriations from ERF (Earthquake & drought related)	(25.0)
Interest Earnings	64.0
Emergency Reserve	497.6

K-12 EDUCATION FUNDING

The budget proposal, guided by the voter-approved initiatives, increases per-pupil spending and includes accountability measures to ensure the funding is resulting in higher student achievement. We want to help children achieve high standards in reading, math, and communication skills so they can succeed in our knowledge-based world.

The current budget appropriated \$9.459 billion in state funds to K-12 education and this 2001-03 budget proposal appropriates \$10.225 billion for an increase of \$766 million or 8.1 percent.

K-12 Per Pupil State Spending



Voter Approved Initiatives and Teacher Compensation

Student Achievement Act/Initiative 728 (\$393.3 Million Student Achievement Fund, \$76.7 Million Education Construction Account)

The budget appropriates \$393.3 million from the Student Achievement Fund to be distributed to school districts at a rate of \$193.92 per student in the 2001-02 school year and \$220.59 per student in the 2002-03 school year. These funds are to be used for smaller classes in grades K-4, smaller classes for certain grade 5-12 classes, extended learning opportunities in grades K-12, professional development for educators, early childhood programs, and building improvements or additions to support class size reductions or extended learning programs.

Initiative 728 requires a portion of state property tax revenues, lottery revenues, and any funds in the state's Emergency Reserve Fund in excess of five percent of annual general fund revenues to be deposited into the newly created Student Achievement Fund and the Education Construction Account.

The \$393.3 million going to the Student Achievement Fund and the \$76.7 million going to the Education Construction Account in the Capital Budget total \$470 million that is shifted from the General Fund to these dedicated education funds.

K-12 Salaries/Initiative 732 (\$300.5 million General Fund-State)

The budget provides \$300.5 million to grant cost-of-living increases for state-funded teachers and staff in public schools. The September 1, 2001, increase is 3.7 percent. The second year increase will be the actual increase in the calendar year 2001 Seattle Consumer Price Index.

For federally funded K-12 staff, federal fund appropriations in the budget provide the necessary resources for Initiative 732 purposes. For levy-funded staff, the increased levy base increases the amount school districts may collect in maintenance and operations levies, which can be used for salary increases for levy-supported staff.

In addition, the budget reflects a savings from the employer pension contribution rates for state-funded staff of 4.35 percent for certificated staff and 2.90 percent for classified staff. These pension rate reductions will result in school district savings for locally and federally funded staff, which can be used to further support the cost of I-732 cost-of-living increases.

Health Benefits (\$75.7 million General Fund-State)

The budget funds an increase in the monthly health benefit rate from the current \$425.89 to \$453.77 in the 2001-02 school year and to \$490.18 in the 2002-03 school year. This represents a total increase of 15 percent over the next two years. These rates are comparable to the rates provided to state employees.

Continuing Education Reform and Improving Student Achievement

Focused Assistance (\$7.7 Million General Fund-State)

Funding is provided for focused assistance to schools and school districts in which a large percentage of students persistently fail to meet state standards. The Academic Achievement and Accountability Commission will identify schools eligible for state assistance. Selected schools will undergo an educational audit and a comprehensive school improvement plan will be developed based on the results of the audit. Performance agreements will then be developed to implement the improvement plan. About 17 schools will receive assistance in the first year of the biennium and about 37 schools will receive assistance in the second year.

Reading Corps (\$5 million General Fund-State)

The budget provides a total of \$5 million to continue the Reading Corps. Reading Corps grants are for schools in which significant numbers of students in grades K-6 do not perform well on reading assessments.

Math Helping Corps (\$2.7 million General Fund-State)

The 1999 Legislature provided \$2 million for the 1999-01 biennium for a Math Helping Corps. This budget provides an additional \$2.7 million to expand the program. The Math Helping Corps provides expert math teachers to assist schools in retooling their math curriculum and providing intensive staff development.

Alternative Routes to Teacher Certification (\$2 million General Fund-State)

The budget provides \$2 million for the grant and scholarship programs established by Senate Bill 5695. This program provides support to enable classified staff and people from other disciplines to become teachers more easily.

Mentor/Beginning Teacher Assistance (\$2.5 million General Fund-State)

The budget adds \$2.5 million to the \$6.9 million in the base budget for mentor/beginning teacher assistance. In the 2001-02 school year, funding is provided for the existing teacher assistance program and pilot projects. In the 2002-03 school year, funding is provided for a new mentor program for beginning teachers that includes stronger program requirements. Up to \$200,000 each year may be used to provide a mentor academy.

Principal Leadership Development (\$1 million General Fund-State)

The budget increases the funding for the Principal Leadership Development Program from \$250K to \$1.25 million. Each year, 110 new principals and assistant principals, and 30 to 40 experienced principals, will be provided with performance-based assessments and professional development plans. In addition, 20 principal mentors will be trained each year.

LASER Science Kits (\$1.7 million General Fund-State)

The Washington Leadership Assistance for Science Education Reform (LASER) Regional Partnership assists school districts in implementing an ongoing, inquiry-based K-8 science program. The budget provides funding for a statewide program coordinator at the Pacific Science Center and for the initial purchase of science kits for districts that participate in the LASER program

National Guard Youth Challenge Program (\$559,000 General Fund-State)

The budget provides funding for the increased high school enrollment that will result from the establishment of a National Guard Youth Challenge program in the 2002-03 school year. This is a national program that provides educational assistance, structure, and mentoring to young people who have dropped out of school or who are at risk of dropping out.

WASL Double Scoring and Return (\$302,000 General Fund-State)

Funding is provided to make available to schools, students and parents the scored writing portion of the Washington Assessment of Student Learning. In addition, each tenth-grade writing WASL will be double-scored.

Redirect CISL Funding (\$0)

The Center for the Improvement of Student Learning is eliminated and the \$1,260,000 provided previously for this purpose is re-allocated as follows: \$768K is provided to assist schools in improving learning and to increase community awareness, \$260K is provided for web-based instructional information, and \$230K is provided for reading and writing assessment specialists for the Washington Assessment for Student Learning.

Improving School Safety

School Safety (\$11.3 million General Fund-State)

The budget adds \$11.3 million to the \$5.9 million in the base budget for safety and security in schools. School districts will receive a \$10 per student allocation each year, with no district receiving less than \$2,000. The allocations can be used for such things as building security monitors, planning, training, and equipment related to school safety.

Anti-Bullying/Harassment Training (\$500,000 General Fund-State)

The budget provides funding to train school district employees on the district's anti-bullying and harassment policies. This funding is contingent on the enactment of anti-bullying legislation.

School Mapping (\$100,000 Public Safety and Education Account)

Funding is provided through the Criminal Justice Training Commission to the Washington Association of Sheriffs and Police Chiefs to implement school mapping, or electronic pre-incident plans, for K-12 schools.

Improving Technology and Reducing Paperwork

OSPI Information Systems (\$700,000 General Fund-State)

The budget provides funding to continue upgrading the apportionment system and developing the student information system in the Office of the Superintendent of Public Instruction (OSPI). The continued development of the student information system will enable OSPI to eliminate 17 data reports and significantly simplify 12 additional reports that must currently be submitted by 1,800 schools.

Savings and Reductions

WASL Adjustments (\$1.8 million Savings General Fund-State)

Funding for the Washington Assessment for Student Learning (WASL) is adjusted by \$1.6 million to reflect changes in the timelines for the administration of the science, social studies and arts assessments as reflected in Substitute Senate Bill 5686. In addition, \$286,000 is saved by reducing the number of WASL advisory committee members from 72 to 30.

Better Schools Program (\$125.8 Million Savings General Fund-State)

The Student Achievement Fund in I-728 (\$393.3 million) replaces the Better Schools Program which was initiated last year.

Traffic Safety Education (\$8.1 Million Savings General Fund-State)

The budget eliminates the state subsidy of \$137 per student for the driver education program. The state subsidy of \$203.97 for driver education students eligible for free and reduced priced lunch is continued.

Program Reductions (\$4.4 million Savings General Fund-State)

The budget eliminates state funding for the following programs: The Cispus Environmental Learning Center (\$64K); the Geographic Alliance (\$100K); Summer Accountability Institutes (\$1 million); and Magnet Schools (\$1.6 million). In addition, funding for Information Technology Workforce Training Grants is reduced from \$3.6 million to \$2 million.

State Office Administration Reductions (\$680K Savings General Fund-State)

The administrative budget of the Superintendent of Public Instruction is reduced by three percent through administrative efficiencies and reductions at the state office.

HIGHER EDUCATION

The budget proposal provides greater access and affordability in higher education, including increases in enrollments and financial aid. It invests in new technology to increase distance-learning opportunities and expands programs in high-demand technology fields to give students employable skills in high-earnings professions. Increased funding to attract and retain qualified professional faculty is also provided.

Providing Opportunity by Increasing Access

New Enrollments (\$35.6 million General Fund-State)

The budget adds 3,679 new enrollments to the institutions of higher education. 99 of these new enrollments are earmarked for the new Technology Institute at the Tacoma branch campus of the University of Washington. To improve responsiveness to students, the University of Washington and Washington State University may redirect up to 10 percent of newly budgeted enrollments to their branch and main campuses in order to focus on high demand and technology fields.

Newly Funded Enrollments for the 2001-03 Biennium			
	Budgeted Enrollment 1999-01	Increase for 2001-03	Budgeted Enrollments 2001-03
University of Washington	34,688	458	35,146
Seattle	32,266	161	32,427
Bothell	1,136	99	1,235
Tacoma	1,286	198	1,484
Washington State University	19,847	8	19,855
Pullman	17,241	-116	17,125
Spokane	946	42	988
Tri-Cities	616	0	616
Vancouver	1,071	82	1,153
Central Washington University	7,867	-397	7,470
Eastern Washington University	7,864	128	7,992
The Evergreen State College	3,713	124	3,837
Western Washington University	10,826	158	10,984
Community and Technical Colleges	123,762	3,000	126,762
HECB	50	200	250
TOTAL	208,617	3,679	212,296

High Demand Enrollments (\$2.2 million General Fund-State)

A total of 250 full-time equivalent undergraduate high-demand enrollments are provided to the Higher Education Coordinating Board. These additional enrollments are to be awarded to institutions on a competitive basis for high demand and technology fields.

Financial Aid

State Need Grant (\$16 million General Fund-State)

Enhanced funding is provided for the State Need Grant to maintain the current legislative policy of providing grants for students from families with incomes up to 55 percent of the state's median family income. Funds are also provided to raise grants proportionate to tuition and fee increases adopted by the institutions' governing boards.

Promise Scholarship (\$10 million General Fund-State)

Enhanced funding of \$10 million for a total of \$22 million is provided for the Promise Scholarship program to support student access to higher education and to encourage students to excel during high school. These scholarships are provided to students who rank in the highest 15 percent of their high school graduating class or who attain a score of 1200 or more on the Scholastic Achievement Test.

State Work Study (\$3 million General Fund-State)

Recognizing that State Work Study awards are an important self-help component of a student's financial aid package, additional funding is provided to the State Work Study program to increase participation levels and to increase student wages.

Program Enhancements

On-Line Campus (\$4.5 million Other Funds)

Funding is provided to the State Board of Community and Technical Colleges for the development of a multi-college student-centered online service center for distance learners within the community and technical college system.

Advanced Technology Initiative (\$600,000 General Fund-State, \$1.4 million Other Funds)

Funding is provided for research projects at the University of Washington and Washington State University in various areas such as photonics, genomics, and advanced wood composites.

Community Development Program (\$2 million General Fund-State)

Funding is provided for the development of new community and technical college programs to support education and training for displaced workers in rural counties and in communities impacted by business closures and job reductions.

Higher Education Consortium of North Snohomish, Island and Skagit Counties (\$1.4 million General Fund-State)

Funding is provided to enable the Higher Education Consortium (NSIS) to increase enrollments to 1200 FTE students and to continue operation of an eight-institution consortium in the city of Everett.

Institution Development (\$1 million General Fund-State)

Funding is provided to assist Central Washington University with efforts to stabilize enrollments and to work toward serving more students.

Student Tuition

Tuition Flexibility

Limited tuition flexibility is given to governing boards of higher education for most categories of students. For the 2001-02 academic year, governing boards may increase tuition up to 6.9 percent. For the 2002-03 academic year, governing boards may increase tuition up to 5.9 percent. For programs in law, and the graduate programs in business at the University of Washington, governing boards may raise tuition for each academic year by up to 12 percent per year.

Compensation

Cost of Living Increase (\$107.4 million General Fund-State)

Continuing past practice in higher education, full state funding is provided for higher education faculty and staff cost of living increases. For I-732 staff, the September 1, 2001 increase is 3.7 percent. The second year increase will be based on the actual calendar year 2001 Seattle CPI increase as required by Initiative 732. The cost of living increase for non-Initiative 732 staff is 3.0 percent the first year and 2.6 percent in the second year.

Recruitment and Retention (\$20 million Higher Education Operating Fees Account)

The budget assumes that four-year institutions may use up to \$20 million of increased tuition revenues to pay for additional recruitment and retention salary adjustments for faculty and exempt professional staff.

Part-time Faculty Compensation (\$5 million General Fund-State)

Part-time faculty employed by the state's 34 community and technical colleges are provided \$5 million to reduce the disparity between full and part time faculty.

Faculty Increments (\$4.3 million General Fund-State)

Salary increments for the community and technical college faculty are fully funded by the state.

HUMAN SERVICES

More than one million Washington residents receive assistance each year from the Department of Social and Health Services. The dramatic increase in costs of medical care and prescription drugs have added additional challenges to an already-tight budget climate. In spite of that, this proposal increases foster care and adoption services, access to child care for working families, and payments to long-term care providers for elderly adults.

Improving the Safety and Health of Children

Foster Care and Adoption Support Program Enhancements (\$10.0 million General Fund-State, \$4.0 million General Fund-Federal)

Funding is provided for improvements to the foster care system. The basic reimbursement rate for foster care is increased a total of 11 percent to encourage the availability and retention of qualified foster parents. Availability of respite services is increased by 75 percent. Foster parents are also provided increased access to community college classes. In addition, the state will be able to contract for increased foster care placements through child placing agencies, provide child welfare services to more tribes, and increase efforts to recruit and retain foster parents.

Increase Subsidized Child Care for Low-Income Working Families (\$27 million General Fund-Federal)

Federal funding is provided to increase access to child care for low-income working families.

Childhood Immunizations (\$10.6 million Health Services Account-State)

Funding is provided to make the pneumococcal conjugate vaccine available under the state's universal distribution policy to all children aged two and younger. This vaccine has been determined cost-effective by the federal Centers for Disease Control in the prevention of meningitis, and middle ear, bloodstream and sinus infections among infants and toddlers.

Quality Improvements in Children's Services (\$6.6 million General Fund-State, \$5.0 million federal funds)

Funding is provided to reduce the average caseload for Children's Administration case workers from 1:29 to 1:24. In addition, funding is provided to improve the risk assessment model for Child Protective Services cases and to increase the number of cases that undergo quality reviews.

Private Rooms for Sexually Aggressive Youth (\$1.5 million General Fund-State, \$558,000 federal funds)

Many of child sexual abuse perpetrators are other children. Sexually aggressive children in the group care system currently share bedrooms with other children, furthering the risk of abuse. This funding will allow all sexually aggressive youth to have private rooms.

Children's Inpatient Facilities (\$546,000 General Fund-State, \$556,000 General Fund-Federal)

A 10 percent rate increase is provided for the four facilities from which the state purchases 24-hour residential treatment for severely emotionally disturbed children. The increase is needed to address significant recruitment and retention problems, and rising medical insurance and utility costs.

Early Childhood Education and Assistance Program (\$ 1.8 million General Fund--State)

Providers of early childhood education and assistance programs will receive a vendor rate increase of 2.2 percent in fiscal year 2002 and a 2.5 percent increase in fiscal year 2003.

Mental Health-Providing Better Coordination of Care and Transition to Community Settings

Monitoring Outcomes in the Mental Health System (Provides \$618,000 General Fund-State, \$619,000 General Fund-Federal)

Funding is provided for the development and implementation of an outcome-based performance measurement system for the public mental health system. This will allow the Mental Health Division, Regional Support Networks, providers of mental health services, and consumers to better assess the service delivery system and whether services have a positive effect on the clients served.

Mental Health/Developmental Disabilities Collaborative Plan (\$3.3 million General Fund-State)

The budget provides funding for Eastern and Western State Hospitals to administer care that combines mental health and developmental treatment components for developmentally disabled individuals requiring a level of care best provided by a psychiatric hospital. This funding continues the efforts begun in the 2000 budget that focused on improved crisis intervention and diversion activities.

Community Mental Health System (\$27.5 million General Fund-State, \$21 million General Fund-Federal)-Maintenance Level

A total of \$670 million is provided for expenditures on Regional Support Network community mental health services, an increase of 9.8 percent over the 1999-01 budget. In response to the Joint Legislative Audit and Review Committee's audit of the public mental health system, the budget directs the Mental Health Division to phase in a new funding distribution formula over the next six years.

Special Commitment Center (\$7.5 million General Fund-State)

Increased funding is necessary to comply with a U.S. District Court's ruling on the Special Commitment Center. Funding will be used to create a community transition program for residents of the center, establish a vocational program, develop a tracking system to collect resident information and treatment progress, and increase legal and treatment staff levels. Funds are also provided to local governments to mitigate additional costs to ensure public safety.

Psychiatric Hospital Community Transition (Savings of \$3.4 million General Fund-State)

A total of \$5.7 million is provided for community residential and support services for 120 individuals who would otherwise be served in the state psychiatric hospitals. Transition to more appropriate community settings is expected to allow the closure of four state hospital wards over the course of the 2001-03 biennium, resulting in \$3.4 million net state savings.

Long-Term Care-Providing Increased Access and Reimbursement

Eastern Washington Veterans' Home (\$11 million General Fund--Federal and Local)

House Bill 2227 authorizes the Department of Veterans' Affairs to acquire an existing nursing home facility in the Spokane area to serve Eastern Washington veterans. Funding for the home will be through a combination of per diem payments from the United States Department of Veterans' Affairs, state and federal Medicaid payments, and residents' contributions towards the cost of their care.

Nursing Home Rate Setting (\$19.2 million General Fund-State, \$38.3 million Total Funds)

Funding is provided for an average 2.2 percent rate increase on July 1, 2001 and a 2.5 percent rate increase on July 1, 2002. When combined with increases in the capital portion of the rate and anticipated increases in client acuity, the average nursing home payment rate will increase an average of 3.9 percent per year during the 2001-03 Biennium. The average nursing home payment rate is estimated at \$129.61 per patient day in Fiscal Year 2003.

Vendor Rate Increases for Long-Term Care Providers (\$18.7 million General Fund-State, \$36.6 million Total Funds)

Funding is provided for a vendor rate increase of 2.2 percent in fiscal year 2002 and of 2.5 percent in fiscal year 2003 for long-term care vendors, including senior citizen services, Area Agencies on Aging, adult day health services, in-home service providers, adult family homes, and boarding homes.

Community Options for Long-Term Care (Savings of \$507,000 General Fund-State, \$1.0 million Total Funds)

Currently, it is possible for a client to be financially eligible to be served in a nursing home but not by a community based provider or in their home. In accordance with House Bill 1341, clients who previously had only two choices - nursing homes or no service - are offered the option of receiving services in the community. It is anticipated that 375 of the 1,500 persons who currently receive nursing home care, but who are not eligible for community based care, would now be served in community-based settings at a lower cost.

Elimination of the State-Funded Chore Services Program (Savings of \$3.8 million General Fund-State)

The Chore services program is eliminated. The scope of this program has been declining through a planned reduction schedule since 1994. Similar services to persons meeting Medicaid eligibility standards are continued in the Medicaid personal care and COPES programs.

Scale Back Adult Day Health (Savings of \$2.0 million General Fund-State, \$3.8 million Total Funds)

The budget reduces Adult Day Health (ADH) services by approximately 25 percent. ADH provides services to eligible participants in a day center settings.

Estate Recovery (Savings of \$2.3 million General Fund-State, \$4.6 million Total Funds)

All medical assistance services provided to a client receiving long-term care services will now be included in estate recovery. Previously, collections were limited to only hospital and prescription drug services.

Developmental Disabilities-Increasing Community Residential Placements and Support Services

Additional Developmental Disabilities Caseworkers (\$3.3 million General Fund-State, \$2.6 million General Fund-Federal)

Funding is provided to improve the case manager to client ratio for developmentally disabled clients on the Home and Community Based Waiver. A total of 48 new caseworkers plus support staff will be phased in over the 2001-03 biennium. Additional caseworkers will help ensure the health and safety of clients receiving services.

Community Residential Placements for Persons with Developmental Disabilities (\$6.6 million General Fund-State, \$6.3 million General Fund-Federal)

The budget provides funding for community residential placements and support services to 50 individuals who will transition from the state residential habilitation centers (RHCs) during the 2001-03 biennium. This item is consistent with the U.S. Supreme Court decision in the Olmstead case, and builds upon past efforts to enable integrated, community living. Funding is also provided to expand the number of community protection placements and supports for persons with developmental disabilities.

High School Transition Program (\$425,000 General Fund-State, \$1.5 million federal funds)

The high school transition program provides employment and day services necessary to transition students with developmental disabilities into the job market and social independence. Funding is provided for students who will graduate from high school in 2001 and 2002.

Residential Habilitation Cottage Closures (Savings of \$2.9 million General Fund-State, \$2.0 million General Fund-Federal)

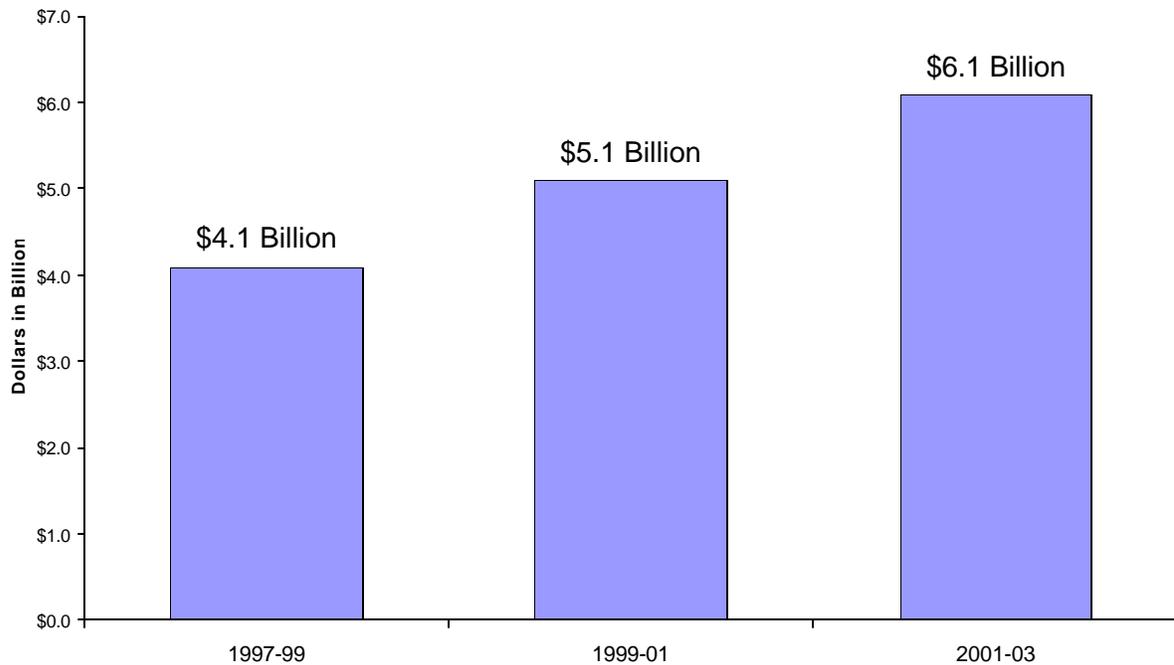
Significant vacancies from attrition and efforts to enable community living have resulted in the opportunity to consolidate cottages at the Residential Habilitation Centers. A total of six cottages will be consolidated over the 2001-03 biennium.

Health Care-Providing Quality Care While Attempting To Gain Management Control of the Rising Medical Costs

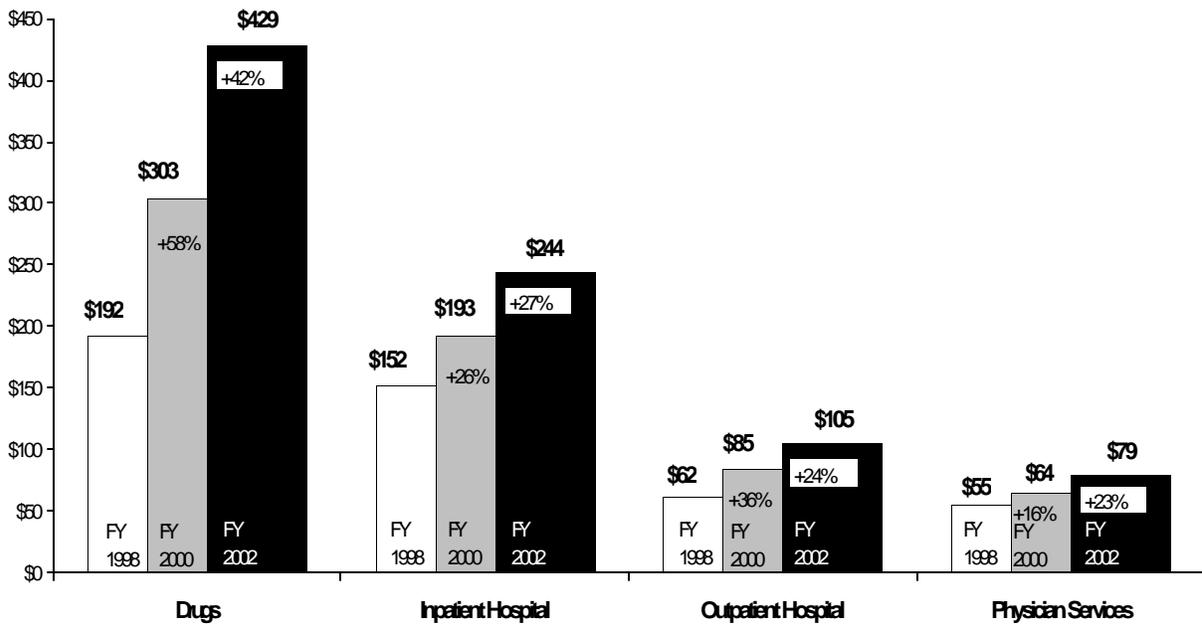
Low-Income Medical Assistance Programs (\$592 million General Fund-State, \$738 million Other Funds)

The Medical Assistance Administration is projected to spend \$6 billion on primary health care coverage for an average of 835,000 low-income Washingtonians during the 2001-03 biennium. This represents an increase of approximately \$1.3 billion, or 27 percent over the amount spent on such services during the 1999-01 biennium. Health care expenditures are growing for many of reasons including increasing health costs associated with managed care rates increases, greater use and rising costs of prescription drugs, and growth in services for elderly and disabled citizens.

Medical Assistance is increasing at a rate of \$1 billion per biennium



**Medical Assistance Cost Increases for the Aged, Blind and Disabled
(\$ Millions)**



Funding to Rural Hospitals (\$1.4 million General Fund-State, \$800,000 General Fund-Federal)

The budget provides funding for the implementation of House Bill 1162, which creates a Medicaid critical access hospital reimbursement program for small rural hospitals. Eligible hospitals will receive an enhanced reimbursement rate for medical assistance clients.

Treatment for Breast and Cervical Cancer (\$500,000 Health Services Account, \$400,000 Private, \$1.7 million General Fund-Federal)

Building upon the state's efforts to increase the early detection of breast and cervical cancer, the budget provides full-scope Medicaid coverage to low-income uninsured women who have been screened through the Department of Health's Breast and Cervical Cancer Screening Program and have been diagnosed with breast or cervical cancer. Federal matching funds will cover approximately 65 percent of the total cost, and the Susan G. Komen Foundation has committed \$400,000 to cover part of the remaining cost.

AIDS Prescription Drug Program (\$1.0 million General Fund-State, \$800,000 Other Funds)

The AIDS Prescription Drug Program pays for prescription medications, medical care, and other services to persons with HIV infection. This additional funding is provided for projected costs and caseload growth.

Vocational Rehabilitation Services (\$954,000 General Fund-State, \$3.1 million federal funds)

Funding is provided for additional vocational rehabilitation services for people with disabilities. State matching funds will allow the department to draw down all available federal funds available for this program.

Improving Access to Health Care (\$391,000 Health Services Account)

The budget provides \$391,000 in premium discounts for Medicare ineligible Washington residents over the age of 50 who are participating in the Washington High Risk Insurance Pool (WSHIP). WSHIP provides insurance to residents at or below 300 percent of poverty level who are unable to obtain health insurance through other means. WSHIP premium discounts will expand access to the high risk insurance pool.

Cost Containment & Utilization Strategies to Control Health Care Costs (Savings of \$50.4 million General Fund-State, \$32.7 million General-Fund-Federal)

The Department of Social and Health Services is directed to pursue a variety of activities aimed at better managing and controlling the growth in state Medical Assistance expenditures over the 2001-03 biennium. These savings represents a 3 percent savings in total state costs.

Medically Indigent (Savings \$12 million General Fund-State)

The budget provides \$40 million in state funding to cover costs associated with providing emergency care to low income, uninsured adults. This level is \$22 million greater than the amount provided in the Governor's budget but \$12 million less than that provided in the previous biennium.

Adult Dental Services (Savings \$15 million General Fund-State)

The Department of Social and Health Services will provide dental coverage on a limited basis to low-income adults. The budget provides an additional \$5 million for these services over the amount proposed in the Governor's budget but is \$15 million lower than the current level of funding.

Adult Vision Care (\$4.4 million General Fund-State, \$4.8 million General Fund-Federal)

The budget maintains funding for adults who are covered by Medicaid to continue receiving eyeglasses and vision care services.

Basic Health Plan Enrollment Suspension (Savings of \$103.2 million Health Services Account)

Maintaining the Basic Health Plan at the current level of \$421 million. Savings are generated as the cost of the program would otherwise have grown by approximately \$103 million.

PUBLIC SAFETY

Substantial investments are made to improve the safety of citizens, including greater supervision of dangerous offenders and combating the meth lab epidemic. Additional tools are also provided to our state and local law enforcement agencies to help them identify, prosecute and track criminals.

Nisqually Earthquake Response and Recovery (\$37.9 million Nisqually Earthquake Account - State, \$157.8 million Nisqually Earthquake Account-Federal)

Funding is provided to the Military Department for response and recovery costs associated with the February 28, 2001, Nisqually Earthquake. Funding is also provided as the public assistance and hazard mitigation state matching share for state agencies and as one half of the public assistance and hazard mitigation local matching share for local entities.

Combating the Proliferation of Methamphetamine Labs (\$7.2 million Public Safety and Education Account-State)

In response to an increasing number of illegal methamphetamine labs, funding is provided for the following:- Additional officers for the State Patrol's Meth lab response team;- Crime lab equipment and personnel for analyzing meth samples;- Training for Child Protective Services workers to provide special care to children found at meth sites;- Drug courts and drug treatment for meth users;- Enhanced lab clean-up efforts; and- Increased training and educational resources for local police officers, businesses, government agencies, and the public to deal with methamphetamine issues.

Offender Tracking System Replacement (\$12.5 million Violence Reduction and Drug Enforcement Account)

The Offender-Based Tracking System (OBTS) is the primary information system used by the Department of Corrections to track and manage offenders both in prisons and in the community. Currently, the system supports approximately 5,900 users who supervise 15,000 incarcerated offenders and roughly 55,000 offenders in the community. Funding is provided for the second phase of the project to replace the OBTS with the new Offender Management Network Information (OMNI) system, which is expected to reduce data entry time for Community Corrections Officers and improve reporting.

Increased Training for State and Local Criminal Justice Professionals (\$260,000 Public Safety and Education Account-State)

Funding is provided for the Washington Association of Sheriffs and Police Chiefs to increase technical and training support to local criminal justice agencies for the use of incident-based reporting systems. Additionally, funding is provided to the Washington Association of Prosecuting Attorneys to increase training provided to the criminal justice community, including prosecutors, law enforcement, judges, Fish and Wildlife officers, corrections staff, school personnel, and Department of Social and Health Services employees.

Toxicology services for Eastern Washington (\$553,000 other state funds)

Funding is provided for two forensic scientists and related equipment to provide increased toxicology lab services for casework originating in Eastern Washington.

Crime Intelligence and Offender Information System Enhancements (\$935,000 Public Safety and Education Account-State)

Funding is provided for the State Patrol to implement a criminal intelligence index for use by all criminal justice agencies. Funding for ongoing staff support is provided for the offender information system to provide offender information at all times and from all locations.

Juvenile Offender Mental Health Services (\$1.1 million General Fund-State)

Based on recent assessments, it is estimated that approximately 40 percent of youth in Department of Social and Health Services Juvenile Rehabilitation Administration facilities need mental health services. Funding is provided for increased mental health staffing at the Maple Lane School and to address increased medication management needs at Juvenile Rehabilitation Administration facilities.

Alternative Access for Offender Legal Services (Savings of \$512,000 General Fund-State)

Savings are achieved in the Department of Corrections through the electronic provision of legal resources to offenders. The Department will continue to provide access to contracted legal services for offenders who are illiterate or who do not speak English.

Adjust funding sources for Washington State Patrol (Savings of \$10.6 million General Fund-State)

Certain activities transferred to the operating budget in 1998 are transferred back to the transportation budget to ensure proper funding sources for State Patrol activities. The operating budget will continue to fully fund the executive protection unit and the state crime labs.

NATURAL RESOURCES

The budget plan supports policy changes made this session to improve water management in our state by supporting regional planning and allowing greater flexibility in our state's water policies. It includes funding for a drought-relief plan to help struggling rural communities and continues statewide salmon recovery efforts. Other community resources are protected through funding state parks, local fairs and agricultural youth shows.

Salmon Recovery and Water Strategy

Water Strategy (\$10.3 million General Fund-State, \$15.3 Total funds)

The budget provides funding for a water strategy for Washington, including implementing provisions of House Bill 1832 (water resources management). Funding is provided to process water right transfers, support conservancy boards, increase funding to watershed planning units, and improve water rights data information. Also included in the strategy is funding for the Department of Ecology and local governments to provide enhanced stream flow monitoring in five critical basins, address stormwater issues, and work on regional water initiatives in the Yakima river basin.

Salmon Recovery (\$21.4 General Fund-State, \$37.8 Total Funds)

The budget continues to invest in salmon recovery, including funding for projects, scientific and technical assistance to local salmon recovery efforts, continued implementation of the forest and fish strategy, and monitoring the progress of the salmon recovery strategy. Funding is provided for regional salmon recovery planning, including funds for the lower Skykomish river basin.

Drought Response (\$5.0 million Other Funds)

The Governor declared a drought emergency for the entire state. In response to this emergency, the budget provides funding to implement a drought relief plan, including the purchase or lease of water. Funds provided to the Department of Ecology are to operate an emergency drought operations center, process requests for water transfers, and purchase water from willing sellers.

Fish License Buyback (\$1.3 General Fund-State, \$5.0 Total)

Funding is provided to implement the 1999 Pacific Salmon Treaty and continue purchasing commercial fishing licensing.

Other Natural Resource Enhancements

Fire Protection Program (Provides \$9.8 million General Fund State)

State funding for the fire protection program is increased to implement provisions of the independent study to improve the state forest fire protection program.

State Parks Preservation and Safety (\$2 million General Fund-State)

The budget provides funding to address the maintenance backlog at state parks and to hire additional rangers to address safety issues for park visitors and staff.

Toxics Prevention and Cleanup (\$15.3 million Other Funds)

The budget provides funding for the cleanup and prevention of toxics contamination. These moneys include funding to match federal superfund cleanup requirements and increased funding to cleanup meth labs.

Agricultural Marketing (\$700,000 General Fund-State, \$1.4 million total funding)

Funding is provided for agricultural industries to promote the sale of Washington agricultural products and to address international trade barriers.

Fair Funding (\$4.0 million General Fund State)

The budget provides funding to the State Fair Fund to continue supporting agricultural fairs and youth shows.

Spartina Eradication (\$1.4 million other funds)

The budget provides funding to the Department of Agriculture to implement an eradication program in Puget Sound and Willapa Bay to control spartina infestation.

LOCAL GOVERNMENT ASSISTANCE

Funding is provided to assist local government and public health districts to mitigate the loss of the motor vehicle excise tax, which was eliminated by voters under Initiative 695. Funding is also provided to enhance local criminal justice and public safety programs and streamline information systems to help cities and counties save money.

Assistance to Cities and Towns (\$76.4 million General Fund-State)

State assistance is provided to cities and towns that are continuing to adjust and restructure their budgets to accommodate the loss of motor vehicle excise tax revenues as a result of Initiative 695.

Assistance to Counties (\$41.5 million General Fund-State)

State assistance is provided to counties that are continuing to adjust and restructure their budgets to accommodate the loss of motor vehicle excise tax revenues as a result of Initiative 695.

Public Health Assistance (\$48.3 million Health Services Account and General Fund State)

State assistance is provided to public health districts and counties that are continuing to adjust and restructure their public health budgets to accommodate the loss of motor vehicle excise tax revenues as a result of Initiative 695. This amount maintains 90 percent of the projected revenue loss.

Reducing Local Government Pension Costs (\$162 million Local Funds)

The budget, through separate legislation (HB 2236), provides for lower local employer pension contribution rates in Public Employees' Retirement System plan 2 (PERS 2), School Employees' Retirement System plan 2 (SERS 2), Teachers' Retirement System plan 2 (TRS 2), and Law Enforcement Officers' and Fire Fighters' Retirement System plan 2 (LEOFF 2). These lower rates yield \$119.9 million in savings for PERS 2 and SERS 2 employers, \$28.5 million in savings for TRS 2 employers, and \$13.6 million in savings for LEOFF 2 employers.

Improvements to Judicial Information Systems (Provides \$17.9 Million Total Funds)

Funding is provided for the Office of the Administrator for the Courts to make enhancements and upgrades to judicial information technology systems. The information system enhancements and upgrades will help to improve the efficiency of court operations at all levels from municipal courts, county juvenile courts, and county district courts through the appellate court level.

Increased Criminal Justice Funding Assistance (\$9 million in additional revenue)

The legislature enacted Substitute Senate Bill 5309, which imposes an additional \$10 penalty for traffic infractions and an additional \$50 penalty on felony and misdemeanor traffic crimes. It is estimated that an additional \$9 million in local government revenue will be generated.

Increased Juror Compensation (\$1.6 million Public Safety and Education Account-State)

Funding is included in the Office of the Administrator for the Court's budget to allow local courts to increase the rate of juror compensation from \$10 per day to \$15 per day, beginning on the second day of juror service. Additionally, funding is provided to make grants to counties in which jurors pay more than \$10 per day for parking expenses.

Extraordinary Criminal Justice (\$975,000 Public Safety and Education Account--State)

Assistance is provided to Franklin, Klickitat, Cowlitz, Skagit, Yakima, Thurston, and Spokane counties for extraordinary criminal justice costs incurred in the adjudication of aggravated homicide cases.

IMPROVING GOVERNMENT EFFICIENCY

In a continuing effort to make state government work better for its citizens, the budget adopts cutting-edge technologies, upgrades agency reporting systems, increases consumer access, and achieves efficiencies in agency operations.

Administrative Cost Containment and Efficiencies (Savings of \$18.5 million General Fund-State and \$2.8 million federal funds)

Funding in the DSHS-Economic Services Administration (ESA) is reduced for travel, goods and services, unused program capacity and unused grant match. ESA will also be able to reduce administrative costs by resuming administration of the Supplemental Security Income state supplement payment, which is currently administered by the federal government. Additional savings are achieved within the Division of Child Support by applying technology and quality improvements to operations and by serving documents by parcel delivery.

Digital Government Revolving Account (\$10 million)

The Office of Financial Management will administer a competitive application process for information technology projects. OFM, after consulting with the Department of Information Services, will allocate money from the technology pool appropriation to executive agencies for technology infrastructure upgrades, web-based communication applications, equipment replacement, system planning and other technology and software improvements. The competitive process will ensure that technology items are funded on a priority basis using informed, objective and consistent criteria. The budget consolidated approximately 45 separate technology requests from state agencies totaling over \$12 million into the pool.

Unused Capacity Savings in Children's Programs (Savings of \$7.2 million General Fund-State)

Savings are achieved by eliminating unused Staff Secure Group Home and Secure Crisis Residential Center bed capacity.

The Ultimate Purchasing System (TUPS) (\$3.4 million General Administration Services Account)

In 1999, the Department of General Administration began development of an electronic procurement system. TUPS streamlines purchasing processes from product request through payment. Additional funding is provided to continue development and implementation of the new purchasing system.

Correctional Efficiencies and Quality Initiatives (Savings of \$4.9 million General Fund-State)

Savings are achieved in the Department of Corrections by transferring female youthful offenders to Juvenile Rehabilitation Administration facilities; reducing goods and services expenditures; lease purchasing equipment with longer life cycles; modifying the reimbursement schedule for the inpatient treatment of offenders in hospitals; and reducing facility maintenance activities.

Unemployment Insurance Efficiencies (\$1.7 million other state funds, and \$3.2 million General Fund-Federal)

Funding is provided to allow people to file for unemployment over the Internet while protecting confidential information, as well as improving reemployment services to reduce the amount of time individuals spend unemployed. Improvements will also be made to the unemployment insurance claims telecenters and to upgrade information systems to enable earlier detection of overpayments of unemployment insurance.

Internet Payment of Premiums (\$1.4 million Accident and Medical Aid Funds)

The Department of Labor and Industries will implement various technology upgrades. One of the enhancements will allow employers to file workers' compensation premiums electronically over the Internet. By 2004, the department estimates that 30,000 employers will be paying premiums over the Internet. As usage of the new system increases, the department will realize savings as a result of paying less for mail lockbox services and by reducing staff time required to process payments.

Electronic Claims Collection System (\$2.7 million - Accident and Medical Aid Funds)

The Department of Labor and Industries will also develop a new claims collection system to collect \$8.5 million in yearly overpayments of workers' compensation claims and to recover \$17 million per year in workers' compensation costs from third parties. Implementation of the new system is estimated to increase revenue collections by \$1.1 million per year.

Juvenile Justice Efficiencies (Savings of \$1.7 million General)

Efficiencies are realized by consolidating Office of Juvenile Justice staff and the Governor's Juvenile Justice Advisory Committee staff into the administrative operations of the Juvenile Rehabilitation Administration. Cost savings will result from the elimination of duplicative administrative operations. Additional efficiencies are realized in the administration of regional services programs in the community.

Consumer Protection and Internet Transactions (\$371,000 Financial Services Regulation Fund)

Funding is provided to the Department of Financial Institutions for the creation of an Internet Fraud Program in response to consumer complaints of investment fraud on the Internet. Additional funds are provided for specialized electronic banking examinations of credit unions to ensure the safety of members' financial interests and the interests of the general public.

Department of Licensing Information System Upgrades (\$924,000 Other Funds)

Funding is provided to implement electronic license renewals for engineers, geologists, and plant nurseries over the Internet. Funding is also provided so that the department may offer Master License Service renewals over the Internet. Additional funding is for technology security enhancements, hardware, and network system improvements.

Financial Reporting System Upgrades (\$11 million Data Processing Revolving Account, Non-Appropriated, \$1.4 million General Fund-Federal)

Funding is provided for the Office of Financial Management (OFM) to upgrade the agency financial reporting system, the budget and allotment support system, the enterprise reporting system, and to make other information technology improvements. This new system will save DSHS \$517,000 per year starting in FY 2004. OFM will also conduct a study for an activity-based costing project.

Merchandising Business System (\$4.8 million Liquor Revolving Account)

Funding is provided to the Liquor Control Board for a merchandising business system that will link merchandising, distribution center activities, and financial activities into a fully automated retail system.

GENERAL GOVERNMENT

Eastern Washington Regional Archives (\$1.8 million Archives Records and Management Account--State/Local)

Funding is provided for the Secretary of State to move into and operate a new Eastern Washington Regional Archives Building in Cheney.

Pipeline Safety Program (\$2.0 million Pipeline Safety Account-State/Federal)

Funding is provided to the Utilities and Transportation Committees' sustainable and comprehensive pipeline safety program that includes inspections of interstate natural gas and hazardous liquids pipelines.

K-20 Network for Private Colleges and Private K-12 Schools (\$949,000 Education Technology Revolving Account)

Fifteen independent private, non-profit colleges and several private K-12 schools located in Washington have requested connection to the K-20 Educational Telecommunications Network. These K-20 connections are provided to the private colleges and schools on a full cost reimbursement basis, net of the value of services and information provided by the private institutions based on criteria approved by the K-20 Board.

Housing Initiative (\$680,000 Washington Housing Trust Account)

Funding is provided for the Office of Community Development to conduct a pilot project designed to reduce infrastructure costs and make housing more affordable to prospective home buyers.

Tort Liability (\$34.6 million General Fund-State)

Additional funds are appropriated from the state general fund for deposit into the Liability Account to pay increased costs associated with tort claims and tort defense. This appropriation is in addition to the \$38 million for tort costs that is incorporated as increases in state agencies' revolving fund charges for the 2001-2003 fiscal biennium and the \$75 million already in the state's base budget for tort claims and tort defense.

Ferry Assistance (\$30 million General Fund-State)

General Fund support is continued for the Puget Sound Ferry Operations account. However, the amount provided is \$10 million less than the previous biennium.

Transportation Assistance (\$70 million Emergency Reserve Fund-interest)

Consistent with Senate Bill 6876 passed in the 2000 legislative session, \$35 million per year in emergency reserve fund interest earnings is transferred to the multimodal transportation account.

EMPLOYEE COMPENSATION

State Employee Cost of Living Adjustment (\$99.0 Million General Fund-State, \$32.6 Million General Fund-Federal)

Funding is provided for a cost of living adjustment for state employees of 3.0 percent in fiscal year 2002 and 2.6 percent in fiscal year 2003.

Recruitment and Retention Priorities (\$30.6 million General Fund-State, \$8.7 million General Fund-Federal, \$22.0 million other funds)

The budget provides \$21 million General Fund-State for recruitment and retention issues. The Office of Financial Management, in consultation with the Washington Personnel Resources Board, will provide compensation increases to selected positions that are experiencing recruitment and retention problems. Priority consideration will be given to those classes providing direct care, nursing, mental health services, and similar job classes, where those classes have documented recruitment and retention problems. An additional \$9.6 million is provided to increase the pay for selected job classes so no employee is paid less than 75 percent of the rates in the approved salary survey.

Assistant Attorney General Salaries (\$3.1 million General Fund-State, \$3.1 million Other Funds)

Funding is provided to increase salaries of Assistant Attorneys General to address critical recruitment and retention problems, provide merit-based pay increases, increase starting pay for Assistant Attorneys General, and target increases in areas in which pay lags significantly behind market benchmarks.

State Agency and Higher Education Employee Health Benefits (\$51.1 million General Fund-State, \$8.7 Million General Fund-Federal)

Funding is provided to increase the monthly state contribution for health and other related employee benefits for state and higher education employees by 13 percent for the 01-03 biennium. The current state contribution level of \$436.16 is increased to \$455.79 in fiscal year 2002 and to \$494.28 in fiscal year 2003. Employee contributions are increased from the current average rate of \$27.78, to \$51.55 in calendar year 2002 and \$57.70 in 2003. The employee share of the total cost of health and other related benefits is increased from 6 percent to 8 percent in calendar year 2002, and to 10 percent in calendar year 2003.

Medicare Retirees' Health Insurance Premium Subsidy (\$9 million General Fund-State)

The budget provides approximately \$9 million to increase the Medicare eligible retiree subsidy from \$69.98 in calendar year 2001 to \$83.98 in calendar year 2002 and \$100.77 in calendar year 2003. This is a 44 percent increase over the calendar year 2001 subsidy.

Pension Contribution Rate Change (Saves \$197.6 million General Fund-State, \$11.5 million General Fund-Federal, and \$683,000 General Fund-Local)

The budget, through separate legislation (HB 2236), adjusts downward employer and state contributions to the Public Employees' Retirement System, School Employees' Retirement System, Teachers' Retirement System, and the Law Enforcement Officers' Retirement System. These adjustments will result in higher take-home pay for affected employees. Long term assumptions of investment returns and state employee salary growth are increased to 8 percent and 4.5 percent respectively. The year in which unfunded liabilities in Public Employees' Retirement System and Teachers' Retirement System will be retired is re-established at 2024, the year originally set in statute.

ADDRESSING THE ENERGY CRISIS

The House passed a comprehensive energy package that increases and diversifies energy supply, reduces demand, and helps low-income families cope with soaring power bills. A total of \$8.2 million in tax credits:

- Streamlines energy siting to get more power on-line faster;
- Saves jobs and affordable power by helping aluminum companies and other direct buyers of Bonneville Power Administration power to build on-site generation; and
- Helps over 5,000 low-income families with energy assistance
- Makes government buildings become more energy efficient

LOWERING AGRICULTURAL PRODUCTION COSTS

The House passed a package of bills to reduce taxes on farmers to help them become more competitive by lowering their production costs. HB 2138 saves the agriculture industry \$3.4 million, HB 1886 saves \$2.6 million, and HB 1906 saves \$1.7 million for the upcoming biennium.

- HB 2138 aids the dairy industry by lowering the B & O tax rate for manufacturers of dairy products from .484 percent to .138 percent to be comparable with other agricultural commodities.
- HB 2138 also exempts poultry farmers from retail sales tax on purchases of propane or natural gas to heat chicken houses, and the wood shavings or similar bedding materials.
-
- HB 1886 exempts farmers, producers and feedlot operators from sales tax on pharmaceuticals used to treat farm animals.
-
- HB 1906 benefits a large number of farmers by making farm machinery exempt from the state portion of property tax.

I-601 Expenditure Limit

	2002	2003
Beginning Spending Limit	\$ 11,135.8	\$ 11,515.8
Items Requiring Limit Adjustment		
Increased Federal Funds at Dept. of Corrections	\$ (1.5)	
Medicaid FMAP Rate	\$ 19.1	
King Street & Transit	\$ (95.4)	
Transfer HSA Revenue (BHP Freeze)	\$ 103.0	
Federal Disproportionate Share Payments	\$ 4.9	\$ 0.1
State Patrol Transfer	\$ -	\$ (10.6)
Developmental Disabilities Endowment	\$ (0.2)	
Puget Sound Action Team	\$ (0.4)	
Employment Security Fund Shift	\$ (1.3)	
Federal match for forest legacy support	\$ 0.2	
Public Health Fund Shift	\$ -	\$ 24.5
Community Supervision Workload Change	\$ 0.3	
Core Salmon Recovery Activities	\$ 0.5	
Reduced Federal Funds for Fish Management	\$ 0.2	
Stabilize Fire Protection Funding	\$ 2.3	
Revenue Shifts	\$ 4.1	\$ 28.1
CHARS data system	\$ 0.4	\$ 0.4
DNR Administrative Costs Fund Shift	\$ 0.7	
HCA Administrative Costs Fund Shift	\$ (0.0)	
DD Federal/State Cost Allocation Model	\$ (2.0)	
Stabilize VRDE Funding	\$ 4.1	
DVA Federal/State Cost Allocation Model	\$ 0.2	\$ (1.1)
Shift Administrative costs (HCA and MAA)	\$ -	\$ 16.8
WSP PSEA/GFS Shift	\$ (1.1)	
Shift Certain DASA Expenditures to GF	\$ 14.0	\$ -
	<u>\$ 52.2</u>	<u>\$ 58.1</u>
NEW SPENDING LIMIT (Annual)	\$ 11,188.0	\$ 11,573.9
NEW SPENDING LIMIT (Biennial)		\$ 22,761.9

House Revenue Legislation

Bill #	Description	Status 4/22	\$ in Thousands	
			GF 01-03	GF 03-05
2247	State energy supply	SPassed 3rd	(8,248)	(10,000)
2138	Rural economic development	SWays & Means	(3,403)	(3,749)
1886	Animal health products	SWays & Means	(2,562)	(2,674)
1906	Farm equipment tax exemption	SWays & Means	(1,720)	(6,991)
1832	Water resources management	Del to Gov	(895)	(39)
1254	Real estate tax exemption	SWays & Means	(750)	(575)
1445	Time certificate investment	Del to Gov	(518)	(910)
1361	Excise tax administration	Del to Gov	(367)	0
2184	Park model trailers	Del to Gov	(350)	(423)
1859	Electrc generatng facilities	Del to Gov	(312)	(418)
5372	Cigarette sales/Indian lands	Del to Gov	(155)	(531)
1450	Property tax/land transfer	SPres signed	(90)	(66)
1116	Orthotic devices	Gov signed	(60)	(153)
5484	Conifer seeds/tax exemption	Del to Gov	(58)	(32)
1018	Disaster tax relief	Del to Gov	(33)	0
1339	Taxation of farmers	Del to Gov	(14)	(14)
1140	Grain warehouses	C 20 L 01	(5)	0
1915	Wine and cider taxation	Del to Gov	20	20
1055	Leasehold excise tax Lake Cushman	C 26 L 01	26	(144)
5101	Consumer prtctn/contractors	Del to Gov	605	605
1119	Motor vehicle sales/b&o tx	Del to Gov	1,164	(90)
1385	Linen & uniform supply	Del to Gov	1,377	1,560
			<u>(16,349)</u>	<u>(24,624)</u>